

LUKAS, NACE, GUTIERREZ & SACHS, LLP

8300 GREENSBORO DRIVE, SUITE 1200
MCLEAN, VIRGINIA 22102
703 584 8678 • 703 584 8696 FAX

WWW.FCCLAW.COM

RUSSELL D. LUKAS
DAVID L. NACE
THOMAS GUTIERREZ*
ELIZABETH R. SACHS*
DAVID A. LAFURIA
PAMELA L. GIST
TODD SLAMOWITZ*
BROOKS E. HARLOW*
TODD B. LANTOR*
STEVEN M. CHERNOFF*
KATHERINE PATSAS NEVITT*

CONSULTING ENGINEERS
ALI KUZEHKANANI
LEILA REZANAVAZ
—
OF COUNSEL
GEORGE L. LYON, JR.
LEONARD S. KOLSKY*
JOHN CIMKO*
J. K. HAGE III*
JOHN J. MCAVOY*
HON. GERALD S. MCGOWAN*
TAMARA DAVIS BROWN*
JEFFREY A. MITCHELL
ROBERT S. KOPPEL*

*NOT ADMITTED IN VA

September 21, 2011

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-B204
Washington, DC 20554

Re: Smith Bagley, Inc.
WC Docket No. 03-109 and GN Docket No. 09-51

Madam Secretary:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, we hereby provide you with notice of an oral ex parte presentation in connection with the above-captioned proceeding. On September 20, 2011 undersigned counsel, on behalf of Smith Bagley, Inc. ("SBI"), met with Kim Scardino, Jamie Susskind, and Cynthia Bryant.

We discussed SBI's experience serving tribal lands, including its use of low income support to improve telecommunications services to rural citizens living on Navajo, Hopi, White Mountain Apache, Ramah Navajo and Zuni lands. We also discussed potential changes to the Lifeline program, including SBI's proposal for the Commission to provide one Lifeline subsidy per adult on tribal lands in households below the poverty line. Low-income households on remote tribal lands have extraordinary health and safety problems when they only have one connection to the telephone network.

The FCC's Lifeline program has helped Native Americans achieve significant gains in telephone penetration, as evidenced by SBI's outreach to tribal communities. We have enclosed a copy of materials distributed at the meeting.

Marlene H. Dortch, Secretary
September 21, 2010
Page 2

If you have any questions or require any additional information, please contact undersigned counsel directly.

Sincerely,

A handwritten signature in cursive script, appearing to read "D. LaFuria".

David A. LaFuria
Counsel for Smith Bagley, Inc.

Enclosure

cc: Kim Scardino, Esq.
Jamie Susskind, Esq.
Cynthia Bryant, Esq.



Challenges on Tribal Lands

- Per capita income: 25% of U.S. average
- High unemployment: 40-50% on Navajo (NTTA)
- 40% of population, and 46% of children, below poverty line
- Low population density: tribal lands SBI serves have approximately five people per square mile
- Huge distances from health care, first responders, towns, schools, all make mobile service critical
- Inaccessible landline connectivity – 94% of SBI cell sites use microwave due to high cost or unavailability of landline



SBI's Success on Tribal Lands

- 2000: Sites along highways; no Lifeline subscribers; 30% household penetration
- 2011: Over 100,000 customers, of which over 56,000 are Lifeline. Household penetration significantly improved, to be validated by 2010 Census. 175 employees, over 150 sites, major upgrades scheduled for 2012.
- 2000: Wireless voice service on Navajo, Hopi, Zuni, White Mountain Apache limited to some interstate highways and major towns.
- 2011: Wireless voice service available throughout most of the areas where tribal residents live, work and travel.
- 2000: 200 minutes of limited access analog service available to Lifeline subscribers.
- 2011: 600 minutes of digital (2.5G) service, and wider local calling area available to Lifeline subscribers, at same price point. Modern phones, including Nokia e75 and Samsung Galaxy S now available.